

United States General Accounting Office

Report to the Chairman, Committee on
Ways and Means,
House of Representatives

GAO

June 1994

SOCIAL SECURITY

New Continuing Disability Review Process Could Be Enhanced





United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

B-254606

June 27, 1994

The Honorable Sam M. Gibbons
Acting Chairman, Committee on
Ways and Means
House of Representatives

Dear Mr. Chairman:

This report responds to your request for information on the Social Security Administration's (SSA) new process for conducting continuing disability reviews (CDR) using computer profiling and beneficiary self-reported data. The process is aimed at helping meet the legal requirement that SSA periodically review the continuing eligibility of those receiving Social Security disability benefits. We reported in the past that because SSA was not doing the CDRs required by law, the Disability Insurance (DI) Trust Fund incurs millions of dollars in unnecessary costs each year.¹

Specifically, you asked us to assess the overall reliability of the new process, which uses computer analysis along with a mailer, or questionnaire, to obtain information from beneficiaries scheduled for CDRs. Our evaluation focused on (1) the reliability of beneficiary self-reported data, (2) SSA's procedures for deciding when to do full medical CDRs, (3) the cost of the mailer process compared with the cost of SSA's historical process for conducting CDRs, and (4) SSA's plans to further evaluate the decisions it makes based on the mailers about beneficiaries' continuing disability.

Results in Brief

Beneficiary self-reported data, when used with other key information SSA has, appear reliable for making decisions about when to do full medical examinations of beneficiaries scheduled for CDRs. SSA has also taken steps to further assess the reliability of the self-reported data and plans to continually refine its use of computerized beneficiary data to better predict medical improvement and likely benefit terminations.

The mailer process appears to be a significant step by SSA to make the CDR process more efficient and cost-effective, with the process being substantially less costly than SSA's previous CDR process. Mailer process costs are reported at about \$23.50 per case—a fraction of the reported

¹Social Security: Effects of Budget Constraints on Disability Program (GAO/HRD-88-2, Oct. 28, 1987) and Social Security Disability: SSA Needs to Improve Continuing Disability Review Program (GAO/HRD-93-109, July 8, 1993).

\$1,000 average cost of a full medical CDR. SSA continues, however, to fall far short of completing the CDRs required by law.

SSA needs to send out more mailers and conduct more full medical reviews of beneficiaries of both the DI and Supplemental Security Income (SSI) programs. Additionally, SSA needs to adjust its priorities for determining which beneficiaries should receive mailers. To date, SSA budgetary constraints have limited the number of mailers it sends out, as well as the types of beneficiaries who receive them.

As SSA gains more experience with the mailer process and improves its ability to accurately identify beneficiaries with the highest potential for showing medical improvement, it should do more full medical CDRs of those beneficiaries to achieve the most effective use of SSA resources. By focusing its efforts more on beneficiaries most likely to improve enough to no longer be disabled, SSA can save the trust fund and taxpayers millions of dollars each year and help preserve the programs' integrity by removing ineligible beneficiaries from the rolls.

Scope and Methodology

To understand and assess SSA's new process for conducting CDRs using a questionnaire mailed to beneficiaries, we reviewed (1) SSA policies, procedures, and plans for conducting CDRs; (2) the results of SSA's 1991 pilot study to test the CDR mailer program; (3) SSA statistical reports for its ongoing (fiscal years 1993 and 1994) mailer project; and (4) previous GAO reports and testimony on SSA's disability program. We had discussions with SSA officials in the Office of Disability and Office of Disability and International Operations who are involved in planning, carrying out, evaluating, and revising the CDR mailer process. Our work was done in accordance with generally accepted government auditing standards between August and April 1994.

Background

SSA administers the DI and SSI programs. The DI program covers disabled people with enough recent work experience to qualify for Social Security benefits, while the SSI program provides assistance to aged, blind, and disabled people whose income and resources are below a specified amount, regardless of work experience. Some people qualify for benefits under both programs. State agencies, called disability determination services (DDS), make decisions for SSA about individuals' entitlement to DI or SSI benefits, process initial applications and initial appeals of denial decisions, and conduct CDRs.

Although total disability is required for eligibility under both programs,² some people do medically improve through therapy, medicine, or surgery. The Social Security Disability Amendments of 1980 (P.L. 96-265) established a requirement that SSA periodically review the status of DI beneficiaries to determine their continuing eligibility for benefits. Except for beneficiaries with permanent disabilities (such as loss of multiple limbs and terminal cancer), SSA is generally required to do CDRs of DI beneficiaries at least once every 3 years. SSA also has the authority, but is not required, to do CDRs of SSI beneficiaries. Through CDRs, SSA has identified thousands of beneficiaries each year whose medical problems have improved enough for them to return to work.

SSA schedules a CDR based on the beneficiary's impairment and age at the time of the beneficiary's last medical determination. SSA has established three medical categories and review schedules: (1) medical-improvement-expected cases are generally scheduled for review in 18 months or less; (2) medical-improvement-possible cases are scheduled for review once every 3 years; and (3) medical-improvement-not-expected cases are scheduled for review every 7 years. SSA can review at any time cases in which either beneficiaries report they are working or SSA's earnings record system indicates wages were posted to a disabled SSA beneficiary's account.

Previous CDR Process Was Labor-Intensive, but Cost-Effective

Historically, SSA's CDR process was labor-intensive. A beneficiary scheduled for a CDR had (1) a face-to-face meeting with an SSA field office representative, (2) an evaluation of the case by a DDS disability examiner, and (3) frequently, an examination by at least one medical doctor. Essentially, beneficiaries underwent the same process for CDRs that was used initially to determine disability. SSA's reported cost to do a CDR in this manner was about \$1,000 a case.

About 90 percent of the CDRs conducted over recent years have resulted initially in a finding of continued eligibility. After appeals, only about 6 percent of CDRs resulted in the cessation of benefits. However, even with this somewhat low cessation rate, CDRs proved to be cost-effective.

In recent years, SSA has experienced significant program administration problems because of unprecedented increases in applications for benefits under the DI and SSI programs. The pattern of rising initial claims began in

²The Social Security Act defines disability to include the inability to engage in substantial gainful activity by reason of any medically determinable physical or mental impairment expected to last at least 12 months or to result in death.

1990 and has continued through 1993. SSA received almost a million more claims in 1993 than the 1.6 million it received during 1989.

To balance its resources with the surge in disability claims, SSA significantly reduced the number of CDRs performed. Since 1987, SSA has done fewer than half the over 2 million CDRs it estimates are required by law. SSA estimates that compliance would require more than 400,000 reviews of DI beneficiaries annually. Appendix I shows the number of DI and SSI program CDRs that SSA has done each fiscal year from 1987 to 1993.

In July 1993, we reported that because SSA did not perform all required CDRs during fiscal years 1990 through 1993, about \$2.5 billion in unnecessary benefits would be paid through 1997 to ineligible beneficiaries in the DI program. We estimated that at least 30,000 ineligible persons may be on the DI rolls. For this reason, we recommended that SSA continue to examine ways to better target beneficiaries for CDRs and increase the number of CDRs beyond planned levels. And, although data are not available to make similar estimates for the SSI program, we are concerned that this program may be similarly affected by SSA's failure to do enough CDRs.

SSA Began Testing Mailer Concept in 1991

Because of significant budgetary pressures, SSA recognized a need to find ways to do CDRs at lower cost. In September 1991, SSA began a pilot study in 25 states to test the feasibility of using questionnaires mailed to beneficiaries who were due for CDRs to ask about their health status and work history (see app. II for the questionnaire currently used). Beneficiary responses were used with certain indicators about each beneficiary already available from SSA records—such as age, length of time on the disability rolls, date of last CDR, number of prior CDRs, and reported earnings—to help SSA identify beneficiaries who were most likely no longer disabled and who should be given a full medical review.

SSA used the indicators to rank DI beneficiaries into high, medium, and low case-profile categories. The high category represented the 30 percent of beneficiaries most likely to show medical improvement; the medium category represented the 30 percent of beneficiaries next most likely to show medical improvement; and the low category represented the 40 percent of beneficiaries least likely to show improvement. SSA selected 10,000 beneficiaries to participate in the study. The beneficiaries were given a questionnaire that asked seven questions about their health and medical care during the preceding 2 years.

SSA then gave the beneficiaries in the study full medical CDRs. By comparing results of the CDRs with beneficiaries' responses to the questions and the SSA-developed profiles, SSA found that mailer responses combined with profiles were effective predictors of whether disability benefits would be ended or continued if a full medical CDR were done.

SSA concluded that beneficiaries could be more accurately evaluated for continued eligibility by comparing profiles with the completed questionnaires than by conducting full medical evaluations for all cases as historically had been done. Thus, by using the mailer, SSA can review cases more efficiently.

Full Implementation of Current Process Began in 1993 With 92,000 Mailers

After appraising results of its mailer pilot project, SSA began its current CDR mailer process in May 1993. SSA considered four options for carrying out the mailer process. The options ranged from sending 69,000 mailers to beneficiaries in the high case-profile category to sending 128,400 mailers to beneficiaries in the high and medium case-profile categories. SSA estimated the savings for each option that would result from removing ineligible beneficiaries from the disability rolls after full medical reviews. The estimated savings ranged from \$335 million for the option involving 128,400 mailers to \$472 million for the option involving 69,000 mailers.

Each option or profile mix that SSA considered was designed to yield no more than about 50,000 full medical CDRs—the approximate number SSA had budgeted. The options varied, however, in estimated program savings and the number of CDRs counted as completed.

SSA chose the option of sending mailers to 92,000 beneficiaries from a mix of high, medium, and low case-profile categories. SSA believed that this option would realize significant savings while enabling staff to implement the current CDR process effectively and learn from the experience. SSA expected this option to result in 5,400 beneficiaries' being removed from the DI rolls. All beneficiaries completing mailers are counted as having received CDRs. Program savings of \$432 million were anticipated.

To carry out the CDR process, SSA used the same indicators from its pilot study to analyze and rank over 640,000 beneficiaries previously categorized as medical-improvement-expected or medical-improvement-possible cases and who were due or past due for CDRs. It then stratified this universe into high (193,000), medium (193,000), and low

(255,000) case-profile categories.³ From each category, SSA selected certain beneficiaries due for CDRs in 1993 to receive mailers. From the high and medium categories, SSA sent mailers to beneficiaries with the greatest probability of showing medical improvement.

Mailers were sent to the 54,000 beneficiaries in the high category with the greatest probability of showing medical improvement and to the 10,000 beneficiaries in the medium category with the greatest probability of showing medical improvement. For the low category, SSA sent mailers to 28,000 beneficiaries with the least probability of showing medical improvement.

As of April 15, 1994, SSA had sent 91,730 mailers and had received responses from 87,478 beneficiaries. SSA had analyzed 84,012 of these responses and referred 50,762 respondents to DDS for medical reviews, while 33,250 respondents were not referred for full medical review.

Early reports suggest that the process is achieving its desired results. SSA staff said the cessation rates are exceeding expectations for certain case-profile categories and that they have collected enough data to enhance future profiling. However, many full medical reviews are still under way, and it is too early for SSA to evaluate and fully report on first-year results.

SSA plans to repeat the process for 1994, sending out about 92,000 mailers this year. It will again send mailers to a mix of beneficiaries in each case-profile category, which it expects will result in approximately 50,000 full medical CDRs.⁴

Self-Reported Data Appear to Be Reliable

At this time, beneficiary self-reported data appear reliable to the extent that, when combined with case profiles, agency personnel can make reasonable decisions about whether to conduct medical reviews on beneficiaries scheduled for CDRs. SSA's current CDR process does not, however, rely solely on self-reported data. The self-reported information is used along with other information known about the beneficiary and stored in SSA's computer records.

³Since then, SSA has profiled other beneficiaries as they became due for possible CDRs. It now has profiled about 1.1 million DI beneficiaries.

⁴In commenting on a draft of this report, SSA informed us that it had eliminated the medium category by moving those beneficiaries into either the high or the low categories, depending on where their medium ranking fell.

SSA's pilot study, involving 10,000 beneficiaries, demonstrated that such combined data are effective predictors of the likelihood of beneficiaries' medical improvement. In addition, full medical CDRs given to all mailer respondents in the pilot study regardless of how they answered the questions convinced SSA that respondents generally answered truthfully. For example, to the question in the SSA mailer asking beneficiaries if their health was better, the same, or worse since they began receiving disability benefits, over 600 beneficiaries answered that their health was better. Medical reviews of these beneficiaries showed that 33 percent could be removed from the disability rolls. Conversely, medical reviews of about 2,700 respondents who said their health was worse showed that only 3 percent could be removed from the disability rolls.

Reasonable Procedures Established for Determining Need for Full Medical Review

Our work suggests that SSA has established reasonable procedures for determining when to do full medical reviews. Whether a beneficiary's self-reported data suggest the need for a full medical CDR depends on two primary factors: the beneficiary's responses to specific questions and the beneficiary's profile.

In 1993, SSA had a mailer review team composed of a clerical person and a disability examiner (DE). Initially, a clerk reviewed all returned mailers. Using SSA-developed guidelines, the clerk either scheduled the respondent for a full medical CDR or referred the mailer, along with the respondent's profile, to a DE. For 1994, SSA has decided that most of the returned mailers will be handled directly by a DE.

Certain beneficiary responses will result in a full medical review no matter what the profile shows. For example, if respondents answer that their health has improved, they will be referred for a full medical review despite their profile—high, medium, or low. On the other hand, if certain responses do not suggest the likelihood of medical improvement, the DE will review the mailer responses, respondent's profile, and previously obtained medical records, and possibly contact the respondent. The DE then will either schedule the respondent for a full medical CDR or reschedule the case for future review.

SSA to Test Reliability of New Process

SSA recognizes the need to further examine and improve its use of beneficiary self-reported data, the beneficiary profile data, and its procedures for deciding who should receive full medical CDRs. SSA plans each year to review samples of respondents in each case-profile category

independent of mailer answers. Full medical CDRs will be done on all beneficiaries in the samples regardless of their responses to questions in the mailer. SSA believes that the results of these samples (referred to as integrity samples) will provide a reliable measure of the program's effectiveness. The samples also provide some assurance that all beneficiaries who receive mailers during the year have some chance of being referred for full medical review.

Also, SSA believes that the results of these medical reviews will permit SSA to evaluate and, if necessary, refine its procedures for profiling beneficiaries and deciding who should receive full medical CDRs. In other words, it expects to determine which profile characteristics prove to be better predictors of medical improvement and subsequent benefit termination. Also, the integrity sample results will allow SSA to measure the effectiveness of the clerks and DES in applying the procedures.

For 1993, of the 92,000 beneficiaries from the high, medium, and low case-profile categories who were sent mailers, SSA selected random samples to receive full medical CDRs as shown in table 1.

Table 1: Integrity Samples From Each Category

Case-profile category	Mallers sent	Integrity sample
High	54,000	An integrity sample of 10 percent was selected for full medical review.
Medium	10,000	Because this profile group was the most difficult to categorize and had the greatest degree of DE discretion, SSA elected to do full medical CDRs of all these cases for study purposes.
Low	28,000	An integrity sample of 1 percent of these cases was selected for full medical review.

As of April 1994, however, SSA had not completed full medical reviews of all beneficiaries in the integrity samples. These reviews are expected to be completed in the next several months. SSA plans to evaluate the results of completed medical reviews to determine any changes needed in the mailer process for future years.

Mailer Process Costs Significantly Less Than Previous CDR Process

The reported costs of the CDR mailer process are significantly lower than the reported costs of the previous CDR process. Mailer process costs are reported at about \$23.50 per case—a fraction of the reported \$1,000 average cost of full medical CDRs for each beneficiary.

The cost of SSA's historical CDR process was high because the process was labor-intensive for each CDR completed. SSA headquarters personnel determined that a CDR was due and notified the SSA processing center; personnel at the processing center located the beneficiary's file and sent it to the appropriate SSA field office; field office personnel contacted the beneficiary, conducted a lengthy interview, and sent the file to the appropriate DDS for full medical development and determination of continued eligibility.

The key point in comparing costs of the two processes is that the historical process generally involved complete evidence gathering and a full medical review for each completed case. Now, those cases determined from the mailer and profile information to be benefit continuances will only incur the mailer process costs.

CDR Process Improved, but More Reviews Are Needed

Despite SSA's efforts to make the CDR process more efficient and cost-effective, more CDRs still need to be done. Of primary concern is the fact that SSA continues to fall far short of completing the DI CDRs required by law. In addition, SSA directs insufficient review effort to the SSI program and, subsequently, forgoes significant savings. In implementing the new CDR process, SSA could better maximize its effectiveness by focusing primarily on those beneficiaries who most likely have improved sufficiently to no longer be disabled.

To identify more ineligible persons, SSA must conduct more full medical CDRs. It must also send out more mailers, primarily to beneficiaries identified as most likely to have improved. Previously, SSA estimated that if it sent mailers to all 193,000 persons placed in the high category (for possible improvement), it might have to conduct about 130,000 CDRs, or about 2-1/2 times its budgeted number. The payoff, however, would be the possible removal of about 11,000 additional ineligible persons and further savings of about \$900 million.

Although more CDRs are needed, we recognize the severe workload demands that SSA faces and the difficulties it experiences in assigning limited staff where they are most needed. In this regard, it may not be

appropriate or feasible to do more full medical CDRs with SSA's current budget because any significant increase in CDRs would require resources to be taken away from the processing of initial claims.

We also recognize the difficulties the Congress faces in considering increases to SSA's administrative budget. More specifically, the Budget Enforcement Act of 1990's prohibition on trade-offs between entitlements and discretionary spending makes the situation particularly difficult. However, we are convinced that efforts must be made to find ways to provide SSA with money to do more reviews.

Recommendations to the Commissioner

We recommend that the Commissioner of Social Security (1) continue to examine ways to refine the CDR process to optimize SSA's resources, eliminate the CDR backlog as soon as possible, and do CDRs on beneficiaries when scheduled; (2) increase the number of full medical CDRs on both DI and SSI beneficiaries; and (3) focus full medical CDRs primarily on those beneficiaries determined to have the highest potential for showing medical improvement.

Matters for Consideration by the Congress

We encourage the Congress to develop an alternative means to provide SSA more funds for CDR activities because the funding of these activities results in substantial program cost savings. Although we make no specific proposals at this time, we would be happy to work with the Congress in developing or considering funding alternatives.

Agency Comments

SSA provided comments on a draft of this report in a letter dated May 13, 1994 (see app. III). SSA agreed with each of our recommendations. It also made a number of technical comments that we have incorporated where appropriate.

We are providing copies of this report to other congressional committees and members with an interest in this matter; the Director, Office of Management and Budget; the Secretary, Department of Health and Human Services; and the SSA Commissioner; and to others upon request.

Please contact me on (202) 512-7215 if you have any questions about this report. Other major contributors to this report are listed in appendix IV.

Sincerely yours,

A handwritten signature in cursive script that reads "Jane L. Ross".

Jane L. Ross
Associate Director
Income Security Issues

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Abbreviations

CDR	continuing disability review
DDS	disability determination service
DE	disability examiner
DI	Disability Insurance
SSA	Social Security Administration
SSI	Supplemental Security Income

CDRs Completed, Fiscal Years 1987 to 1993

Fiscal year	DI program	SSI program	Total CDRs
1987	195,991	14,339	210,330
1988	321,246	32,573	353,819
1989	280,452	86,364	366,816
1990	155,586	39,500	195,086
1991	54,638	18,830	73,468
1992	58,430	14,715	73,145
1993	27,413	8,517	35,930

Note: Only full medical CDRs completed by DDSs are counted. Beginning in 1993, SSA started counting as CDRs cases in which decisions were made not to do full medical CDRs after reviewing the responses to the mailers.

Disability Update Report

FORM APPROVED
OMB NO. 0980-0511

DISABILITY UPDATE REPORT

PRIVACY ACT/PAPERWORK ACT NOTICE: The information requested on this form is authorized by the Social Security Act, Sections 206 (a) and 1631 (c) (1) (A) and (B), and regulations at 49 CFR 404.1539 and 418.839. The information provided will be used to further document your claim and permit a determination about your continuing disability. Information requested on this form is voluntary. However, if you do not provide the required information, a decision based on the evidence in your file can result in a determination that your period of disability is ceased. While the information you furnish on this form would almost never be used for any purpose other than making a determination about your disability, such information may be disclosed by SSA for the following purposes: (1) To assist SSA in determining the right to Social Security benefits for yourself or another person; (2) To facilitate statistical research and audit activities necessary to assure the integrity and improvement of programs administered by the Social Security Administration and another agency. Explanations about these and other reasons why information you provide us may be used or given out are available in the Social Security offices. If you want to learn more about this, contact any Social Security office.

TIME IT TAKES TO COMPLETE THIS FORM:

We estimate that it will take you about 15 minutes to complete this form. This includes the time it will take to read the instructions, gather the necessary facts and fill out the form. If you have comments or suggestions on this estimate, or on any other aspect of this form, write to the Social Security Administration, ATTN: Reports Clearance Officer, 1-A-31 Operations Bldg., Baltimore, MD. 21235-0001, and to the Office of Management and Budget, Paperwork Reduction Project (0980-0511), Washington, D.C. 20503. Send only comments relating to our estimate or other aspects of this form to the offices listed above. All requests for Social Security cards and other claims-related information should be sent to your local Social Security office whose address is listed in your telephone directory under the Department of Health and Human Services.

Name and Address _____

Claim Number _____

1. Within the last 2 years have you worked for someone or been self-employed?
Yes ___ No ___

If yes, please complete the information below.

Work Began (month/year)	Work Ended (month/year)	Monthly Earnings
1. ___/___	___/___	\$ ___
2. ___/___	___/___	\$ ___
3. ___/___	___/___	\$ ___

2. Check the block which best describes your health within the last 2 years:
Better ___ Same ___ Worse ___

3. Within the last 2 years has your doctor told you that you can return to work?
Yes ___ No ___

Form SSA-455(1-93)

Appendix II
Disability Update Report

2

4. Within the last 2 years have you attended any school or work training program(s)? Yes___ No___
5. Would you be interested in receiving rehabilitation or other services that could help you get back to work? Yes___ No___
6. Within the last 2 years have you been hospitalized or had any surgery? Yes___ No___

If yes, please list below:

Reason	Date: (month/year)
1. _____	_____
2. _____	_____
3. _____	_____

7. Within the last 2 years have you gone to a doctor or clinic for your condition? Yes___ No___

If yes, show the date and the reason for the visit.

1. Date _____
Reason _____

2. Date _____
Reason _____

3. Date _____
Reason _____

I know that anyone who makes a false statement or representation of material fact for use in determining a right to payment under the Social Security Act commits a crime punishable under Federal Law. I affirm that the above statements are true.

SIGN HERE ► Date Telephone Number

Form SSA-455(1-93)

Comments From the Social Security Administration



THE COMMISSIONER OF SOCIAL SECURITY
BALTIMORE, MARYLAND 21201

MAY 13 1994

Ms. Jane L. Ross
Associate Director
United States General
Accounting Office
Washington, D.C. 20548

Dear Ms. Ross:

Enclosed is our response to your draft report, "Social Security: More Targeted Reviews Could Enhance New Continuing Disability Review Process" (GAO/HEHS-94-118). If we may be of additional assistance, please let us know.

Sincerely,

Shirley S. Chater
Shirley S. Chater
Commissioner
of Social Security

Enclosure

cc:
Honorable Dan Rostenkowski

Appendix III
Comments From the Social Security
Administration

COMMENTS OF THE SOCIAL SECURITY ADMINISTRATION ON THE GENERAL ACCOUNTING OFFICE'S DRAFT REPORT, "SOCIAL SECURITY: MORE TARGETED REVIEWS COULD ENHANCE NEW CONTINUING DISABILITY REVIEW PROCESS" (GAO/HEHS-94-118)

We appreciate the efforts of the General Accounting Office (GAO) in reviewing the Social Security Administration's (SSA) new continuing disability review (CDR) mailer process. We find GAO's input particularly valuable at this time since we are currently engaged in implementing, and refining, this important new process. We are pleased that GAO believes that the mailer process appears to be a significant step by SSA to make the CDR process more efficient and cost effective, and that beneficiary self-reported data, when used with other information SSA has, appear reliable for making decisions about when to do full medical CDRs. The report recommendations parallel SSA's efforts to improve the CDR process.

As stated in the report, the CDR mailer process involves SSA review of beneficiaries' responses to an SSA questionnaire, or mailer, that requests disability-related information. The beneficiary-reported data, in combination with a review of data already on SSA's records, help SSA to predict the likelihood of medical improvement and schedule full medical CDRs accordingly. SSA released approximately 92,000 CDR mailers in fiscal year (FY) 1993, and plans to release at least the same number of mailers in FY 1994.

GAO Recommendations

That the Commissioner of Social Security (1) continue to examine ways to refine the CDR process to optimize use of SSA's resources, eliminate the CDR backlog as soon as possible, and do CDRs on beneficiaries when scheduled; (2) increase the number of full medical CDRs on both DI and Supplemental Security Income (SSI) beneficiaries; and (3) focus full medical CDRs primarily on those beneficiaries determined to have the highest potential for showing medical improvement.

SSA Comments

We agree, and continue to explore ways to refine the CDR process to optimize resources. Refining the process will make more resources available to eliminate the CDR workload, do CDRs when scheduled, increase the number of full medical CDRs for DI and SSI beneficiaries, and focus full medical CDRs primarily on those beneficiaries most likely to have medically improved.

The CDR mailer process is a major initiative in our efforts to achieve our CDR workload objectives. We are striving to make the process more efficient by examining, improving upon, and refining our use of beneficiary self-reported data, the beneficiary profile data, and procedures for deciding who should receive full

**Appendix III
Comments From the Social Security
Administration**

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medical CDRs. Examples of changes made to the process based on our experiences thus far include: Further clarifying of the categories ("medium" category has been absorbed into the "high" and "low" categories, depending on where the medium ranking fell); and having a disability examiner (DE) review the bulk of all returned mailers rather than having a clerical screen the mailers first. Evaluation of the profile criteria will be an important part of the ongoing process, as well as yearly integrity samples that will, among other things, help SSA to determine which profile characteristics prove to be better indicators of medical improvement.

Other initiatives include developing a strategy for reviewing overdue CDRs within SSA's Strategic Plan Initiative--Improve the Disability Process, and exploring the feasibility of obtaining contractual services for printing and mailing the CDR mailer in the event we need to utilize that alternative due to volume.

Major Contributors to This Report

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